

Study Guide for *Value, Price, and Profit* by Karl Marx

First Edition

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This document is in the public domain; however, I would like to emphasize that I disapprove of its usage in any generative, “AI,” for any reason.

Introduction

Value, Price, and Profit is a speech given by Karl Marx at the International Working Men’s Association—oftentimes simply referred to as the First International (albeit this was technically preceded by the Communist League, which in turn was preceded by the 1847 London League of the Just)—which was delivered while Marx was still writing *Das Kapital* (*[The] Capital*).

Value, Price, and Profit may be read alongside *Wage Labour and Capital* (also by Karl Marx, and also written during the writing of *Capital*) for additional context, and may provide additional preparation prior to diving into *Capital* itself.

While *Value, Price, and Profit*, much alike *Wage Labour and Capital*, carries some of the ideas from *Capital* in briefer, simpler form, it was included in this reading series to emphasize that trade unions, while certainly not enough to usher in the First Stage of Communism (as this relies on an educated and trained Marxist-Leninist vanguard), are still valuable to the Marxist-Leninist movement and should be supported, as this is the topic being discussed in this document.

These ideas were additionally fleshed out by Vladimir Lenin and Joseph Stalin (who, despite the incessant propaganda, and some undeniably incorrect actions which must be critiqued, was still an excellent author whose works are still very much worth reading, oftentimes functioning as reinforcement of Lenin’s additions to Marxism) during the tenure of the USSR.

As new terms come up in the document that may be unfamiliar or have experienced lingual drift, they’ll be clarified for their individual sections. Additionally, to encourage reading the document rather than seeking summaries, key takeaways for different sections will be presented as questions for the reader to answer, allowing them to seek the answers themselves and come to a greater understanding of the document.

This is unfortunately due to the fact that—while being somewhat viable as onboarding to reading Socialist theory, assuming someone is actively encouraged to learn and possibly assisted in doing so (as opposed to berated)—summarized Socialist theory significantly waters down the original documents and will only provide a rudimentary understanding.

The headings beyond this point in this document will simply denote the relevant sections of *Value, Price, and Profit*.

Preface

Important Context:

- This is simply an outline of what *Value, Price, and Profit* will be discussing, written c. 1865, as well as an old recommended reading list from the time; works of Marxists in the 20th century, such as Vladimir Lenin, Joseph Stalin, Mao Tse-Tung, Ho Chi Minh, Thomas Sankara, Ernesto “Che” Guevara, Fidel Castro, Fred Hampton, Malcolm X, Frantz Fanon, Michael Parenti, etc., as well as Marxists in the 21st century such as Michael Parenti (again; until his death in early 2026), Torkil Laueson, Domenico Losurdo, etc., have since caused reading lists to expand explosively. Eleanor Marx did us the kindness of partitioning this speech into separate chapters for ease of reading. This preface will generally not be present in audiobooks, unfortunately.
- The Marxists Internet Archive provides its own study guide, which may also be used.

Preliminary

Important Context:

- *Citizen* functions here as the equivalent of *comrade* in the modern day.

Section 1: Production and Wages

Key Takeaways:

- Are productivity and wages fixed or variable? Why? (Note: Weston is being an idealist here, as opposed to a materialist.)
- What are the three primary drives for a capitalist to reduce the workers’ wages?

Section 2: Production, Wages, and Profits

Important Context:

- Marx is discussing a concept called *The Tendency of the Rate of Profit to Fall*, albeit very briefly glossing over it. This, in slightly more elaboration, concerns the fact that when capitalists compete with each other, they must strive to constantly increase the rate of production to produce their commodities at lower cost, allowing them to sell them at lower cost, thus out-competing their competition. Competing capitalists must respond to this by increasing their production in turn, otherwise risking bankruptcy as they have to reduce their prices to a lesser profit (resulting in slower production due to the inability to compensate with surplus value) or a loss to compete, but they’re now unable to maintain the original price, as the price

for commodities has already been lowered, lowering the profit for all capitalists involved. This loss in profit simultaneously results in many capitalists suddenly flooding the market with an excess of commodities, causing a market crash as the prices rapidly fall. This is generally compensated by a mass destruction of commodities and mass layoffs, consolidating capital further. The void created by the capitalists unable to compensate for the bust creates a sudden boom in industry, repeating the cycle regularly.

Key Takeaway:

- Does a rise in workers' wages cause a rise in the cost of necessities? Why or why not? (Note: This is in regards to an argument discussing a relationship between wages and inflation.)

Section 3: Wages and Currency

Key Takeaways:

- Did the drop in wages during the American crisis cause the price of wheat to rise or fall?
- Is a fixed currency compatible with the daily changes in exchange?

Section 4: Supply and Demand

Important Context:

- *Value* and *Use Value* are two different concepts, which can be broken down as follows:

A use value occurs when an object is useful (whether materially, like food, or intellectually, like books and games) and is combined with the *quality* of labour imbued to produce and provide it, whereas the *quantity* of labour imbued in it is irrelevant.

A value occurs when a labour applied to a *use value* is measured in the raw *quantity* of average human labour. A large amount of low-quality labour and a small amount of high-quality labour would produce the same *value*, despite having a different effect on *use value*.

Value, not *use value*, is what determines *exchange value*, which is the relationship of *value* between two separate commodities. Marx gives the examples of relationships between coats, linen, iron, and gold quite often in *Capital*, for example.

To provide some additional context, direct quotes from *Capital*, Chapter 1: Commodities, will be reproduced below:

“A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference.”

“The utility of a thing makes it a use value [...] so far as it is a material thing, a use value, something useful. This property of a commodity is independent of the amount of labour required to appropriate its useful quantities. [...] Use values become a reality only by use or consumption [...].”

“A given commodity, *e.g.*, a quarter of wheat is exchanged for *x* blacking, *y* silk, or *z* gold, etc.—in short, for other commodities in the most different proportions. Instead of one exchange value, the wheat has, therefore, a great many. But since *x* blacking, *y* silk, or *z* gold, etc., each represents the exchange value of one quarter of wheat, *x* blacking, *y* silk, *z* gold, etc., must, as exchange values, be replaceable by each other, or equal to each other. Therefore, first: the valid exchange values of a given commodity express something equal; secondly, exchange value, generally, is only the mode of expression, the phenomenal form, of something contained in it, yet distinguishable from it.”

“As use values, commodities are, above all, of different qualities, but as exchange values they are merely different quantities, and consequently do not contain an atom of use value. If then we leave out of consideration the use value of commodities, they have only one common property left, that of being products of labour. [...] Along with the useful qualities of the products themselves, we put out of sight both the useful character of the various kinds of labour embodied in them, and the concrete forms of that labour; there is nothing left but what is common to them all; all are reduced to one and the same sort of labour, human labour in the abstract [...] of homogeneous human labour, of labour power expended without regard to the mode of its expenditure. [...] Therefore, the common substance that manifests itself in the exchange value of commodities, whenever they are exchanged, is their value.”

“A use value, or useful article, therefore, has value only because human labour in the abstract has been embodied or materialized in it. [...] The quantity of labour, however, is measured by its duration. [...] We see then that that which determines the magnitude of the value of any article is the amount of labour socially necessary, or the labour time socially necessary for its production. [...] As values, all commodities are only definite masses of congealed labour time.”

“A thing can be a use value, without having value. This is the case whenever its utility to man is not due to labour. Such are air, virgin soil, natural meadows, etc. A thing can be useful, and the product of human labour, without being a commodity. Whoever directly satisfies his wants with the produce of his own labour, creates, indeed, use values, but not commodities. In order to produce the latter, he must not only produce use values, but use values for others, social use values. [...] To become a commodity a product must be transferred to another, whom it will serve as a use value, by means of an exchange. Lastly, nothing can have value, without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value.”

“While, therefore, with reference to use value, the labour contained in a commodity counts only

qualitatively, with reference to value it counts only quantitatively, and must first be reduced to human labour pure and simple. [...] Useful labour become, therefore, a more or less abundant source of products, in proportion to the rise or fall of its productiveness. On the other hand, no change in this productiveness affects the labour represented by value. [...] The same change in productive power, which increases the fruitfulness of labour, and, in consequence, the quantity of use values produced by that labour, will diminish the total value of this increased quantity of use values, provided such change shorten[s] the total labour time necessary for their production; and vice versa.”

Key Takeaways:

- Is the concept of low and high wages useful in a discussion of a rise or fall in wages? Why or why not?
- How does supply and demand actually interact with wages? How can the accuracy be tested?

Section 5: Wages and Prices

Key Takeaway:

- Are the prices of commodities determined by the prices of labour (wages)?

Section 6: Value and Labour

Key Takeaways:

- What is the common social substance of all commodities?
- What is the distinction that makes a commodity a commodity rather than only a use value?
- What is the unit of the common social substance of all commodities?
- Are the type or compensation of this common social substance relevant to the value of a commodity?
- Can the compensation for the common social substance be greater than the value of a commodity? Can it be less?
- What happens to value when multiple successive additions of this common social substance are necessary to produce a commodity?
- How does fixed capital (examples used are tools, machinery, buildings, a spindle, hand- and power-looms) transfer this common social substance, as opposed to circulating capital (for example coal, linen, workers' wages)? (Note: Constant and variable capital are different categories than fixed and circulating capital, and aren't interchangeable terms. Labour power and compensation for this labour power are the only form of variable capital. When constant, variable, and stolen surplus value are combined, this produces commodities, which are exchanged for commodity capital, which can be used to purchase further constant and variable capital by exchanging the commodity capital for monetary capital.)

- Does a slow worker provide more value? (Note: Productivity and intensity of labour describe two different aspects. Productivity concerns the efficiency of the means of production (tools, factories, etc.) and working conditions, whereas intensity involves the raw amount of energy a worker has to impart to produce a commodity (e.g. in joules; this generally takes the form of expecting a worker to work faster, e.g. in stocking and sorting, albeit it may be interpreted as working harder, e.g. applying more force to smith or construct faster).)
- What does price express? Does this wholly relate to market price? (Note: How do the interactions between the theft of surplus value and the interactions of exchange value affect the relationship between price and market price?)

Section 7: Labour Power

Important Context:

- Marx uses odd language here wherein he refers to proletarians as a, “race of labourers.” The best term here would be *class*.

Key Takeaways:

- What is the distinction between *labour* and *labour power*?
- What is the value of labour power? How does this affect the concept of the equality of wages? (Note: In many of Marx’s works, as condensed by Vladimir Lenin in *The State and Revolution*, it’s acknowledged that under the First Stage of Communism, which we commonly simply call Socialism, there will still be a degree of unfairness. Until the Second Stage of Communism, which we commonly simply call Communism, wherein the state, classes, wages, and parties have been abolished, we cannot completely rectify this unfairness.)

Section 8: Production of Surplus Value

Key Takeaway:

- What is surplus value? (Note: Surplus value can be derived from two categories, which are absolute surplus value—a direct increase in hours—and relative surplus value—an increase in productivity or intensity.)

Section 9: Value of Labour

Important Context:

- This chapter is mistakenly called [Chapter] 10 in the *Radical Reads* audiobook.

Key Takeaway:

- How does wage labour disguise the theft of surplus value more than salary labour?

Section 10: Profit is Made by Selling a Commodity at its Value

Key Takeaway:

- How does stolen surplus value affect the price of commodities?

Section 11: The Different Parts into Which Surplus Value is Decomposed

Key Takeaways:

- What is profit?
- How does surplus value interact with capitalists and landlords? What happens if the landlord is a capitalist?

Section 12: General Relation of Profits, Wages, and Prices

Key Takeaways:

- How do wages interact with profits? How does this affect the value of commodities i.e. their prices?
- What determines the quantity of commodities produced?

Section 13: Main Cases of Attempts at Raising Wages or Resisting their Fall

Key Takeaways:

- How does a rise in wages compensate a loss in hours worked in regards to surplus value?
- How does preventing the fall of wages in response to the fall in the price of necessary commodities affect the relationship of surplus value?
- How does a rise in wages compensate a fall in the value of money in regards to surplus value? (Note: What are capitalists doing when wages are kept static despite a rapid rise in inflation. For example, the national minimum wage hasn't risen in the USA since they were set at \$7.25 since 2007 despite an approximately 41% decrease in the buying power of money as of 2026.)
- How does a rise in wages keep the capitalist tendency to raise the hours worked in check, especially in regards to overtime pay?
- How does a rise in wages compensate an increase in the intensity of labour in regards to surplus value?

- How does the maintenance of wages even during an economic crash work in regards to surplus value?
- How does the increase of wages in response to an economic boom work in regards to surplus value?

Section 14: The Struggle Between Capital and Labour and its Results

Important Context:

- When the United States was first committing genocide of the Indigenous Americans as they continually pushed West, they were simultaneously preventing capitalism from properly developing. This was due to the fact that capitalists require a population of proletarians to employ, whereas USAmerican proletarians were ironically better educated than modern USAmerican proletarians, immediately recognizing how they were being exploited, and pushed West into Indigenous American territory, which they stole and colonized with lethal force.

This permitted USAmerican colonizers to become their own land owners, working on that land and selling the commodities produced on that land to pay for their ground rent, usually using a portion of those commodities to sustain themselves, forming a peasantry instead of a proletariat.

After the USA was no longer capable of expanding, this peasant class rapidly split apart into bourgeoisie and proletariat, developing capitalism into imperialism as it became less and less able to withdraw excessive surplus value without turning to the redivision of the world. Proper investigation must be done to determine whether a vestigial peasantry still exists in the USA, or whether it's fully split into bourgeoisie and proletariat—capitalists who own the land and sell the commodities vs. the agricultural workers who toil on that land and sell their labour to the capitalists.

(Note: The symbol of Communism popularized by the Soviets, the hammer-and-sickle, represents unity between the industrial proletariat and the agricultural peasantry as a united front against capitalism. In the imperial core, only the proletariat may remain; however, the hammer-and-sickle could still be used to simply represent unity between industrial and agricultural workers, and other symbolism could be added—for example, the DPRK uses a brush to symbolize what could mostly be described as the intelligentsia.)

Key Takeaways:

- Is there a minimum threshold for wages? Is there a maximum threshold?
- Is there a minimum threshold for profit? Is there a maximum threshold?
- How does an increase in productivity (e.g. through the development of factories) affect the value of skilled labour?

- What are Marx's three conclusions from this exposition?